

BEFORE THE TENNESSEE REGULATORY AUTHORITY
AT NASHVILLE, TENNESSEE

REC'D TN
REGULATORY AUTH.

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IN RE: PETITION OF BELL SOUTH TO
IMPLEMENT NEW AND INCREASE
EXISTING LATE PAYMENT CHARGES

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Docket No. 00-00041

OFFICE OF THE
EXECUTIVE SECRETARY

DISCOVERY REQUEST TO BELL SOUTH TELECOMMUNICATIONS

To: BellSouth Telecommunications
c/o Patrick Turner, Esq.
333 Commerce St., Suite 2101
Nashville, TN 37201-3300

Please reply to the discovery requests provided herein by: 1) answering under oath these discovery requests and serving your answers upon L. Vincent Williams, Deputy Attorney General, or his designee at 2nd Floor, Cordell Hull Building, 425 5th Avenue North, Nashville, TN 37243; and 2) providing clear copies of the documents and things specified herein. The answer to each item should begin with the restatement of the question and should conclude with the signature and title of the person(s) responsible for answering that particular question.

Please be aware that this discovery is continuing in nature and requires the party from whom discovery is sought to provide supplemental responses if additional or different information is obtained or as may be necessary from time to time to provide the Consumer Advocate with a full, complete and current answer or response until the hearing in this docket.

INSTRUCTIONS AND DEFINITIONS

The terms "you", "your" and "yours" as used herein refer to the addressee party of these Interrogatories as well as any and all agents, employees, representatives, experts, and other persons acting or purporting to act on your behalf.

If, for any reason, you are unable to answer a discovery request fully, submit as much information as is available and explain why your answer is incomplete. If precise information cannot be supplied, submit 1) your best estimate, so identified, and your basis for the estimate and 2) such information available to you as comes closest to providing the information requested. If you have reason to believe that other sources of more complete and accurate information exist,

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identify those sources.

If a document exists in different versions, including any dissimilar copies (such as a duplicate with handwritten notes on one copy, or electronic or computer versions), each version shall be treated as a different document and each must be identified and produced.

If you contend that you are entitled to refuse to fully answer any of this discovery, state the exact legal basis for each such refusal.

These discovery requests are to be interpreted broadly to fulfill the benefit of full discovery. To assist you in providing full and complete discovery, Petitioner provides the following definitional guidelines:

1. The term "person" or "persons" as used herein refers to any natural person, corporation, firm, company, sole proprietorship, partnership, business, unincorporated association, or other entity of any sort whatsoever. Where a company or organization is the party being served all responses must include the company's response. Moreover, the company's designated person for responding must assure that the company provides complete answers. *A complete answer must provide a response which includes all matters known or reasonably available to the company.* The response is not to be limited to the knowledge of the individual responding.

2. The term "document" as used herein has the full extent of its possible meaning in accordance with law, including any written, printed, typed, drawn, filmed, taped, or recorded in any manner, however produced or reproduced, including but not limited to any writing, drawing, graph, chart, form, photograph, tape recording, computer disk or record, or other data compilation in any form. This definition shall also mean all copies of documents by whatever means made including any nonidentical versions or drafts (whether different from the original because of handwritten notes, underlining, highlighting, or otherwise).

3. The terms "and" and "or" shall be construed conjunctively or disjunctively as necessary to include any information that might otherwise be construed outside the scope of these requests.

4. References to the masculine shall include the feminine, the singular shall include the plural, and vice versa.

5. The term "communication" means any transmission of information by oral, graphic, pictorial or otherwise perceptible means, including but not limited to personal conversations, telephone conversations, letters, memoranda, telegrams, electronic mail, newsletters, recorded or handwritten messages, or otherwise.

6. Each discovery answer should begin by restating the item requested.

7. Where a number of sheets are required to fully answer an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 1 of 6.

8. If any information requested is not furnished as requested, please state where and how the information may be obtained or extracted, the person or persons having knowledge of the procedure and the person instructing that the information be excluded.

9. Please respond fully to the request even if it has been partially requested or supplied in prior filings or dockets. The information and Rule 33 and 34 information shall be submitted to this office at 2nd Floor, Cordell Hull Building, 425 5th Avenue North, Nashville, TN 37243-0500. If there is a need for clarification of any attached request, please contact me at

(615) 741-8700 before furnishing the response.

Rule 36. Requests for Admission.

36.01 Request for Admission. A party may serve upon any other party a written request for the admission, for purposes of the pending action only, of the truth of any matters within the scope of Rule 26.02 set forth in the request that relate to statements or opinions of fact or of the application of law to fact, including the genuineness of any documents described in the request. Copies of documents shall be served with the request unless they have been or are otherwise furnished or made available for inspection and copying. The request may, without leave of court, be served upon the plaintiff after commencement of the action and upon any other party with or after service of the summons and complaint upon that party.

The matter is admitted unless, within 30 days after service of the request, or within such shorter or longer time as the court may allow. If objection is made, the reasons therefor shall be stated. The answer shall specifically deny the matter or set forth in detail the reasons why the answering party cannot truthfully admit or deny the matter. A denial shall fairly meet the substance of the requested admission, and when good faith requires that a party qualify an answer or deny only a part of the matter of which an admission is requested, ***the party shall specify so much of it as is true and qualify or deny the remainder. An answering party may not give lack of information or knowledge as a reason for failure to admit or deny unless the party states that he or she has made reasonable inquiry and that the information known or readily obtainable by the party is insufficient to enable the party to admit or deny.*** A party who considers that a matter of which an admission has been requested presents a genuine issue for trial may not, on that ground alone, object to the request; the party may, subject to the provisions of Rule 37.03, deny the matter or set forth reasons why the party cannot admit or deny it.

Requests to Admit or Deny, Interrogatories and Requests for Production

1. If BellSouth does not believe its purchases of the accounts receivables of clearinghouses or IXC's come within the Uniform Commercial Code of Tennessee, Tenn. Code Ann. § 47-1-101 et seq. please provide each and every basis for the belief, including but not limited to statutes and case law.
2. If BellSouth does not believe its purchases of the accounts receivables of clearinghouses or IXC's come within Federal Trade Commission rule 16 C.F.R § 433 and 16 C.F.R. § 433.2 please provide each and every basis for the belief, including but not limited to statutes and case law.
3. For each and every contract entered into by BellSouth for the Accounts in Tennessee, please state whether BellSouth notifies the end user consumer that it has purchased the right to receipt of payment for the end user's account, describing in detail how this is

accomplished.

4. For each and every contract entered into by BellSouth for the Accounts in Tennessee, please state whether BellSouth notifies the end user consumer that the end user consumer has the right to maintain any defenses against BellSouth that he would have against the seller of the account.
5. Does BellSouth contend that Tennessee consumers entered into a principal/agent relationship with any IXC or clearinghouse from whom BellSouth purchases accounts, please produce the principal/agent contract, tariff, statute or rule supporting BellSouth's contention.
6. Tennessee consumers contend that the average rate for basic local exchange services on and after June 6, 1995 were average rates which included "float" as defined by the Director Greer at the September 26, 2000 conference, if BellSouth disagrees with this contention please provide each and every fact, law or rule upon which BellSouth relies.
7. BellSouth admits that basic local exchange service services are defined by Tenn. Code Ann. § 65-5-208 (a)(1) and the tariffs associated with those services on June 6, 1995.
8. Assume the hypothetical that rates for basic local exchange services on June 6, 1995 included the working capital necessary to compensate BellSouth for late payments of customers taking advantage of "float", is it BellSouth's position that it would still be able to add a late payment charge to basic local exchange service if the company chose to do so?
9. Please produce copies of any and all proposed changes or modifications to BellSouth contracts for the purchase of accounts which BellSouth has suggested to the companies from whom it purchases accounts since January 1, 2000, and the reasons BellSouth sought to make those changes.
10. BellSouth admits that the term "customer" BellSouth's billing and collections tariff and contracts in the contracts pertains to the company from whom BellSouth purchases the accounts and that the terms "end user" pertains to consumers of telecommunications service sold by the "customer" to the consumer or end user.
11. BellSouth admits that the late payment charge is being applied as a pure charge and not as a stand-alone telecommunications service.
12. BellSouth admits that the language of the proposed tariff does not contain any provision for specific ordering or authorization by the consumer prior to the late charge being applied.

13. BellSouth admits that the language of the proposed tariff does not permit a consumer to order the service.
14. Please identify and disclose each and every paragraph of each and every contract for the purchase of accounts where the end user has agreed not to assert defenses against any entity claiming to be a holder in due course.
15. BellSouth admits that the title to the accounts its purchases are not part of the purchase of accounts transaction.
16. Please state the legal standard for determining whether a service is a nonbasic service.
17. Without resort to a mere label or title, please state the functional standard for determining whether a charge is applicable to basic local exchange services and nonbasic services.
18. Please produce any and all contracts for the purchase of accounts not previously disclosed.
19. Please provide a list in either numerical or alphabetical order depicting each telephone number billed a late payment charge after June 6, 1995 and the amount of the charge.
 - a. Please provide any and all information, documents, or taped conversations between BellSouth and the end user wherein the end user authorizes the late charge.
20. Have there been or are there likely to be incidents where the late payment charge begins to apply to basic local exchange services before any "float" is provided by the "telecommunications service."
21. With respect to the validity of the late payment charge under Tenn. Code Ann. § 65-5-209(e) please explain how the application of the late payment charge as a telecommunications service differs from the application of the charge when it is not a telecommunications service.
22. BellSouth admits that whether or not the late payment charge is applied purely as a charge or as a telecommunications service the 3 percent charge would automatically be applied when the payment is late.
23. BellSouth admits that whether or not the late payment charge is applied purely as a charge or as a telecommunications service, the 3% charge would automatically be applied without a specific request or authorization by the consumer.

24. BellSouth admits that under tariff A2.4.3H, in effect on June 6, 1995 Tennessee consumers could extend payments on local basic exchange services up to 1 year without a charge penalty of 3%.
25. BellSouth admits that under its proposed tariff local basic exchange service consumers would no longer be able to extend payment without penalty by Tariff A2.4.3H.
26. Please explain how the company implemented the late payment work out with respect to local basic exchange service.
27. Please state the interest rate in effect on June 6, 1995 for deferred payment agreements. (Tariff A2.4.3G).
28. BellSouth admits that under existing tariffs consumer of local basic exchange service have a right to work out payments of local basic exchange service bills over a reasonable period.
29. BellSouth admits that it did not intend to create a telecommunications service, when it filed the initial proposed late payment tariff in this proceeding.
30. With respect to 209(e), produce any and all documents and studies which BellSouth contends will support its contentions regarding the amount of revenue which will be generated by the late payment tariff.
31. With respect to 209(e) please produce any and all documents which show the amount which would be generated by the proposed tariff for local basic exchange service before any reduction for lifeline and linkup.
32. Please state whether BellSouth's policy, presently or in the past, is to terminate or threaten to terminate end users local basic exchange service when they do not pay as scheduled on accounts purchased by BellSouth.
33. Please provide any and all scripts used in training and in current day to day customer service which pertain to customer payments which are or may be late and extended.
34. Please explain the manner and process for the allocation of partial payments to the amounts appearing on BellSouth's bill by classification of service.
35. Please identify the person, by providing name, address and phone number, who has responded to these requests or who has furnished information or otherwise assisted in the formation of the responses of these requests. If more than one person supplies information in response to these requests, please specify by each person's name the number(s) of the request(s) to which that person is responding.

36. Please identify all persons, by providing name, address and phone number, known to BellSouth, its attorney, or other agent who have knowledge, information or possess any document(s) or claim to have knowledge, information or possess any document(s) regarding the issues presently before the Authority in this matter.
37. Please produce each document, email, photograph, or any other article or thing whatsoever, which corroborates any part of BellSouth's claims in this matter, as to all issues, including, but not limited to, credibility or any other issue, or which is adverse to your contentions regarding the same.
38. Please produce copies of any and all documents identified in your answers or responses to the discovery requests submitted in this matter.
39. Please produce copies of any and all documents reviewed to prepare your answers or responses to the discovery requests submitted in this matter.

We note that BellSouth did not answer several questions in Tennessee consumers prior discovery request which also pertain to the discovery the agency is currently permitting. Without waiving any rights to continue to compel answers we promulgate several of them again with slight modifications.

REQUEST FOR PRODUCTION

40. Please produce any and all calculations of the estimated annual Tennessee late payment charge revenue that would be collected as the result of applying the proposed late payment charge to:
 - a.) Revenues billed by BellSouth Telecommunications Tennessee on behalf of other nonaffiliated entities. (for example bills for interexchange carriers)
 - b.) Revenue billed by BellSouth Telecommunications Tennessee on behalf of affiliated or related entities.(BellSouth Publishing, BellSouth Internet Service, etc.)
 - c.) Revenue associated with business basic local exchange services and charges billing by BellSouth Telecommunications Tennessee.
 - d.) Revenue associated with basic local exchange services and charges billing by BellSouth Telecommunications Tennessee .

e.) Revenue associated with nonbasic service billing by BellSouth Telecommunications Tennessee , but not including purchases of accounts.

f.) Revenue associated with purchases of accounts billing by BellSouth Telecommunications Tennessee .

g.) Revenue billed by BellSouth Telecommunications Tennessee for BellSouth IntraLATA Toll.

h.) Total revenue billed by BellSouth Telecommunications to Tennessee consumers.

(Please produce detailed workpapers.)

41. Please state the annual discounts provided to BellSouth Telecommunications Tennessee's customers who pay for local service in advance of due date.


REQUEST FOR PRODUCTION

42. What is the revenue lead lag amount (working capital required due to the lag between the date service is provided and the date of collection)by customer class?(Please produce detailed workpapers which reference the information sought.)
43. Please state the annual revenue that BellSouth bills Tennessee customers in advance of providing service (For example: Local & Vertical Services Revenue).
44. Identify the number of days between the average date local service is provided (middle of the billing cycle) and the date on which the late payment charge will apply.
45. Please produce copies of any and all account receivable analysis that identify the amounts of BellSouth Telecommunications, Inc.'s Tennessee customer accounts receivable that are:

More than 30 but less than 60 days past due
More than 60 but less than 90 days past due
More than 90 days past due

46. Please produce any and all documents, email, memoranda, studies or projections created or used by any BellSouth personnel or consultants which suggest or recommend increasing payments associated with services currently provided to BellSouth consumers.

Respectfully Submitted,



L. Vincent Williams
Deputy Attorney General
425 Fifth Ave., North, 2nd Floor
Nashville, TN 37243
615-741-8723
B.P.R. No. 011189

Certificate of Service

I hereby certify that a true and correct copy of the foregoing Document has been mailed postage prepaid to the parties listed below this 3rd day of October, 2000.

Patrick Turner, Esq.
BellSouth Communications, Inc.
333 Commerce St., Suite 2101
Nashville, TN 37201-3300



L. Vincent Williams